



Small Business Innovation Research (SBIR)

Facts about SBIR

The Small Business Innovation Research (SBIR) program is a highly competitive three-phase award system which provides qualified small businesses with opportunities to propose innovative ideas that meet specific research and research and development needs of the Federal government. Enacted in 1982 as part of the Small Business Innovation Development Act, (and then reauthorized in 2000), Federal agencies with more than \$100 million in extramural R&D were required to allocate a percentage of their budgets exclusively for small businesses. This set-aside began in 1983 at 0.2% and is currently 2.5% resulting in the availability of approximately \$1.6 billion in fiscal year 2001 to R&D small businesses.

Objectives of SBIR

- Stimulate technological innovation
- Strengthen the role of small businesses in meeting Federal research and development needs
- Increase private sector commercialization of innovations derived from Federal research and development.

Participating Federal Agencies

- [Department of Agriculture](#)
- [Department of Commerce](#)
- [Department of Defense](#)
- [Department of Education](#)
- [Department of Energy](#)
- [Department of Health and Human Services](#)
- [Department of Transportation](#)
- [Environmental Protection Agency](#)
- [National Aeronautics and Space Administration](#)
- [National Science Foundation](#)
- [Department of Homeland Security](#)

Small Business Eligibility

- 500 or fewer employees
- American-owned and independently operated
- For profit

Three Phases

SBIR is a three-phase program of which two are Federally funded. Phase I is a feasibility study to evaluate the proposed project's technical merit for which an awardee may receive a maximum of \$100,000 for approximately six months. Phase II is the principal R&D effort which expands on the Phase I results. This two-year project may receive up to \$750,000 in funding. Only Phase I awardees are eligible to compete for Phase II funds. Phase III is the commercialization of the Phase II results and moves the innovation from the laboratory to the marketplace. This requires use of private sector or other non-SBIR funding. Some agencies do provide follow-up "Phase IIB" and/or matching funds to assist with commercialization activities.

Evaluation Criteria

Scientific and technical quality and innovativeness of the idea and the significance of the scientific or technical challenge

Ability to carry out the project, i.e. qualifications of the principal investigator and other key personnel, adequacy of facilities and equipment, soundness of work plan

The impact as evidenced by technical and/or economic benefits, the likelihood that the work would lead to a marketable product, or the likelihood the project could attract further funding.

Submission

Each year the eleven participating agencies issue program solicitations describing the technical areas for which they are interested. Contact your local IEDC SBIR Program office for assistance and sign up for "Indiana's SBIR Tech Talk", our monthly newsletter.

Assistance

Operating procedures vary between the agencies, so it is wise to become familiar with the agencies by viewing their websites listed above and/or contacting them as appropriate. The US Small Business Administration (SBA) website also provides information about both SBIR and STTR programs at <http://www.sba.gov/sbir/>. Also, you can contact your local IEDC SBIR Program Office at 812-384-3530 for assistance.



Small Business Technology Transfer (STTR)

FACTS ABOUT STTR

The Small Business Technology Transfer (STTR) program was established by Title II of the Small Business Research and Development Enhancement Act of 1992, Public Law 102-564, to foster innovation necessary to meet the nation's scientific and technological challenges of the future. This three-phased program provides the opportunity for qualified small businesses to collaboratively work with non-profit research institutions on research or research and development (R&D) projects. Federal agencies with more than \$1 billion of extramural R&D must reserve 0.3% of their budgets for R&D small businesses and their partners. This set-aside currently results in the availability of approximately \$65 million for fiscal year 2001. STTR was recently reauthorized through 2009.

STTR is much like that of the Small Business Innovation Research (SBIR) program. Its unique feature is its requirement that the small business work jointly with a non-profit research institution. A minimum of 40% of the work must be performed by the small business and a minimum of 30% by the non-profit research institution. Such institutions include Federally-funded research and development centers (FFRDCs), universities, university affiliated hospitals, and other non-profits.

Objectives of STTR

- Stimulate technological innovation
- Strengthen the role of small businesses in meeting Federal Research and development needs
- Increase private sector commercialization of innovations derived from Federal research and development.

Participating Federal Agencies

- [Department of Defense](#)
- [Department of Energy](#)
- [Department of Health and Human Services](#)
- [National Aeronautics and Space Administration](#)
- [National Science Foundation](#)

Small Business Eligibility

- 500 or less employees
- American-owned and independently operated
- For profit

Research Institution Eligibility

- Located in US
- Must be one of the following non-profit organizations:
 - University/college
 - Domestic research organization
 - University-affiliated hospital
 - FFRDC (Federally Funded Research and Development Centers)

Three Phases

STTR is a three-phase program of which two are Federally funded. Phase I is a feasibility study to evaluate the proposed project's technical merit for which an awardee may receive a maximum of \$100,000 for approximately one year. Phase II is the principal R&D effort which expands on the Phase I results. This two-year project may receive up to \$500,000 in funding. Only Phase I awardees are eligible to compete for Phase II funds. Phase III is the commercialization of the Phase II results and moves the innovation from the laboratory to the marketplace. This requires use of private sector or other non-SBIR funding.

Evaluation Criteria

- Scientific and technical quality and innovativeness of the idea and the significance of the scientific or technical challenge
- Ability to carry out the project, i.e. qualifications of the principal investigator and other key personnel, adequacy of facilities and equipment, soundness of work plan
- The impact as evidenced by technical and/or economic benefits, the likelihood that the work would lead to a marketable product, or the likelihood the project could attract further funding.

Submission

Each year the eleven participating agencies issue program solicitations describing the technical areas for which they are interested. Contact your local IEDC SBIR Program office for assistance and sign up for "Indiana's SBIR Tech Talk", our monthly newsletter.

Assistance

Operating procedures vary between the agencies, so it is wise to become familiar with the agencies by viewing their websites listed above and/or contacting them as appropriate. The US Small Business Administration (SBA) website also provides information about both SBIR and STTR programs at <http://www.sba.gov/sbir/>. Also, you can contact your local IEDC SBIR Program Office at 812-384-3530 for assistance.